

FINANCE COMMITTEE

Administration Building
1930 Prairie Street
Glenview, IL 60025
Regular Meeting Minutes
Monday, October 20, 2014

1. Roll Call

Commissioner Peterson called the meeting to order at 8:00 a.m. and the roll was called.

Commissioners/Official Staff present: Commissioners Dan Peterson, Ted Przybylo, Bill Casey, Charlie Kuhn (arrived 8:05 a.m.), Dave Tosh (arrived 8:38 a.m.), Treasurer Bill Moore, Executive Director Chuck Balling, Supt. of Administrative Operations Barb Cremin, Manager of Business Services Nicole Hopkins and Attorney Sam Witwer.

Commissioners/Official Staff absent: None

2. Agenda Topics

- a. **Annual Rollover Bond**—The Committee approved plans to sell a 1-year bond issue to raise funds to pay the 12/1/14 debt service payment on the Series 2006 alternate bonds. This is for the final payment on the debt for the construction of Park Center. The bond issue will be approximately \$1,375,000. The adoption of the bond ordinance will take place at the October 23, 2014 Board meeting with a bond closing on or about November 25, 2014. The sale is being handled as a private placement with Glenview State Bank, therefore saving about \$15,000 in issuance costs. Glenview State Bank has offered a rate of .45% which John Miller from Ehlers and Associates has reported as a competitive rate. The Committee is recommending approval of the bond ordinance for the sale of the 1 year bond of approximately \$1,375,000 to Glenview State Bank at a rate of .45%.
- b. **“Experience It” Trademark**—The Glenview Park District has a trademark /service mark on its “Experience It” tag line used in marketing materials. The NCAA as attempted to trademark its tag line “Experience It Live” and has contacted the Glenview Park District to enter into a “consent” agreement for its use. The Committee agreed to enter into an Engagement Agreement with Ron Rothstein from Winston Strawn to assist Attorney Sam Witwer on this matter on this matter. Fees are estimated at \$4000-\$5000 and an additional percentage of the license fee if it exceeds a defined threshold. There was discussion among the committee members about potential negotiation points that should be addressed by the attorneys. The Committee gave direction for Attorneys Witwer and Rothstein to proceed with discussions with the NCAA and to keep Executive Director Balling apprised so he can update the Board as appropriate.
- c. **Capital Funding**—Superintendent Cremin reviewed the schedule used to depict the funding potentially available for capital projects and the impact of issuing \$10M of debt at a 3.5% interest rate for capital projects. The schedule showed that there is a revenue stream available to make the necessary payments on a \$10 M bond if the Board determines that there is a need to do so. Cremin pointed out that any increase or decrease in the debt issued would change the annual debt payments by about \$71,000 per million dollars of debt issued. The payments of the bond would be made from the Capital Development Fund. The primary source of revenue to make the bond payments would

come from ½ of the rollover bonds that are being allocated to the Capital Development Fund (about \$508,000) with the balance coming from other available Capital Development funds. No new taxes are anticipated as a result of issuing this bond.

The schedule also showed the financial projections after the TIF ends in 2020/2021. In 2021/2022 the TIF make whole payment and the Village of Glenview's subsidy for Gallery Park and Air Station Prairie will end. The end of the TIF is expected to generate \$3,213, 554 in tax revenue, an increase of about \$1.7M more than the District is currently receiving from the TIF Make Whole payment. A large portion of this tax revenue has already been committed for debt service and operating expenses for Gallery Park, Air Station Prairie and Park Services. The use of the remaining funds has not yet been determined and will likely not all be available for capital items. It will need to be allocated through the various funds in the tax levy and some or all of that increase may be needed to support operations. It is still too early to tell and will need to be reviewed annually.

- d. Tax Levy Discussion**—Staff presented two updated versions of the tax levy. The overall dollar amount has not changed but the allocation to the various funds has changed to stay within the ceiling limit of the individual funds and still provide a source of revenue for the Special Facilities. Draft #1 reflects a .85% increase (which is less than the CPI of 1.5%) in the tax extension, exclusive of new growth. Draft # 2 reflects no increase in the tax extension, exclusive of new growth. This was accomplished by using more of the existing Bond and Interest cash reserves this year to make the 2015-2016 debt service payments rather than spreading the use of these reserves over multiple years. Spreading the use of the cash reserves for the bond payments lessens the increase to the taxpayer in the single year when we are no longer able to use cash reserves toward the bond payment. After considerable discussion, the Committee voted to bring the Draft #1 version showing the .85% increase to the board for approval in November.
- e. Monthly Financial Statements**—No report was given. Reports are in the Board packet.
- f. Other**—Commissioner Peterson suggested that Committee meetings be moved to earlier in the month so that the final documents from the Finance Committee can be included in the Board packets each month. The Committee agreed that the meeting date can be changed to earlier each month.

3. Matters from the Public

None

4. Committee Recommendation(s)/Direction

- a. The Committee is recommending approval of the bond ordinance to issue a 1 year refunding bond of approximately \$1,375,000 and that it is handled as a direct placement with Glenview State Bank at a .45% interest rate.
- b. The Committee has requested that Park Services' expenses continue to be monitored to determine the need, if any, for the funds allocated to it beginning in 2021/2022 and beyond and to update the long term plan accordingly.
- c. The Committee is recommending bringing the tax levy showing the .85% increase to the Board in November for approval.

- d. The Committee agreed to move its monthly Finance Committee meetings to earlier in the month.

5. Adjourn

The meeting was adjourned at 9:30 a.m.

ATTEST:

Mary Jean Coulson
Board President

Charles T. Balling
Board Secretary

Approved this 20th day of November 2014